(c) whether Government has reduced the price of any the finish medicines based on these bulk drugs; and

(d) if so, names of such medicines, earlier price, reduced price and date on which each price was reduced?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (d) The purpose of giving custom duty concessions on drug intermediates and raw materials is to encourage the manufacture of bulk drugs and formulations from more basic stage, to save foreign exchange and also to ensure the availability of medicines in abundant quantity at reasonable prices to the consumer. The names of drugs whose intermediates and penultimates have been either exempted from custom duty or concessional custom duty has been granted during the last five years, are given in the various notifications issued by Ministry of Finance from time to time, copies of which are available in the Parliament Library.

The prices of scheduled bulk drugs and formulations are fixed/revised from time to time in consultation with BICP on the basis of latest duty structure.

Due to reduction in customs duty on various bulk drugs and drug intermediates/raw materials as announced in the budget for the year 1993-94, the Government has reduced the prices of 35 indigenously produced price controlled bulk drugs having imported contents w.e.f. 17.6.1993. Due to the impact of reduction in prices of these bulk drugs, BICP has been asked to work out the revised prices of formulations based on these drugs.

Price of Ceftazidime and Cefotaxim

1350. SHRIMATI SATYA BAHIN: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that inspite of monopoly situation, price on Ceftazidime and Cefotaxim has not been conrolled;

(b) whether it is also a fact that major producers did not pass on the benefit or custom duty reduction to the consumers and if so, what was the magnitude of the benefits withheld;

(c) whether any decision has been taken that till review of the drug policy is completed, implementation of the old policy be held in abeyance; and

(d) if so, when was such a decision taken and at what level and what are the details of the same?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) A Background note on review of Drug Policy, 1986 has been placed on the Table of the House on 12-8-1992 for discussion;

(b) The customs duty on bulk drug Ceftazidime and Cefotaxim was reduced in July, 1991 and September, 1991 respectively. However, the actual import at zero per cent duty took place only in November/December, 1991 after necessary amendment in the Notification. Before customs duty reduction, the Cefotaxim Injection in the finished form was being imported at zero per cent duty and company was selling imported formulations with 50 per cent MAPE. After withdrawing custom duty on bulk drug Ceftazidime, the company started marketing of indigenously manufactured formulations with higher MAPE, being a de-controlled formulation. The names of formulation based on bulk drug Cefotaxim were reduced in May, 1992 from Rs. 198.80 per vial to Rs. 143 per vial.

(c) No, Sir.

(d) Does not arise.

Consumer price of Carbamezapine

1351. SHRIMATI SAYTYA BAHIN: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that during 1991-92 the CIF import price of Carbamezapine was Rs. 1614 per kg. and landed cost was Rs. 3318 per kg. Yet the

formulation prices of leader packs were based on landed cost of Rs. 4350 per kg;

(b) if so, the reasons therefor and whether it resulted in consumer being overcharged by Rs. 6 crores per year; and

(c) whether any investigation has been held in the matter and if so, what are the findings in this hegard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) and (b) No, Sir. The extract weight average c.i.f. price, as per BICP records, for the year 1991-92 was Rs. 1616.34 per kg and the landed cost worked out, after due inclusion of change in exchange rate and prevailing rates of custom and countervailing duties, as Rs. 4364.21 per kg was taken on the basis for arriving at the prices of all leader pack formulation, except in the case of paediatric syrup. In the case of paediatric syrup, landed price on the basis of actual invoice from specific source was allowed on availability and quality considerations since there is only one manufacturer in the country and the medicine in this form is required by small chikdren suffering from seizures. There are no reports of over-charging the consumer over and above the prices fixed by the Government.

(c) Does not arise.

Production and Price of Ampicillin, Cephalexin and Cloxacillin

1352. SHRIMATI SATYA BAHIN:
SHRI H. HANUMANTHAPPA:
Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that producers of Ampicillin, Cephalexin and Cloxacillin have failed to provide cost data to the BICP for cost study for the last six years;

(b) whether it is a fact that they have violated all Government directions and have been making high profits by charging high prices;

(c) if so, what is the present position and what action is proposed to be taken by Government to discipline them; and

(d) whether it is a fact that there is a nexus between the producers and bureaucrats?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) No, Sir. The BICP conducted cost-cum-technical study in respect of bulk drug Cephalaxin and Cloxacillin and submitted its report in February, 1989 and August, 1990 respectively. In respect of bulk drug Ampicillin BICP has not yet completed the cost-cum-technical study. The prices of bulk drugs Cephalexin and Cloxacillin have been revised from time to time on the basis of BICP cost-cum-technical study report/escalation formula provided by BICP in its report. The price of bulk drugs Ampicillin has been revised from time to time on the basis of analysis of consumption norms of raw materials and utilities and other cost data. The price of this bulk drug has been revised downwards from Rs. 3098/kg to Rs. 2685/kg w.e.f. 22.6.93.

(b) No, Sir.

(c) Does not arise.

(d) No, Sir.

Custom duty reduction on drugs

1353. SHRI H. HANUMANTHAPPA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have taken the stand that benefit of drug price reduction due to custom duty need not necessarily be passed on to the consumer;

(b) if so, the reasons therefor;

(c) whether it is a fact that duty concession on bulk drugs and intermediates have been granted to siphon off foreign exchange from the country;

(d) whether it is also a fact that these concessions are granted on the requests of individuals and association; and